

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Calhoun County Parks Fund	County Calhoun
Fiscal Year End December 31, 2007	Opinion Date May 15, 2008	Date Audit Report Submitted to State May 16, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

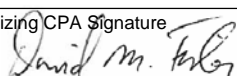
YES  
NO

**Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	Not required - no issues		
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Rehmann Robson		Telephone Number 517-787-6503		
Street Address 675 Robinson Road		City Jackson	State MI	Zip 49203
Authorizing CPA Signature 		Printed Name David M. Fisher, CPA		License Number 10337

# **CALHOUN COUNTY PARK TRUSTEES FUND**

**Marshall, Michigan**

## **FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2007**



**REHMANN ROBSON**

*Certified Public Accountants*

# CALHOUN COUNTY PARK TRUSTEES

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# REHMANN ROBSON

*Certified Public Accountants*

A member of THE REHMANN GROUP



## INDEPENDENT AUDITORS' REPORT

May 15, 2008

Calhoun County Park Trustees  
Marshall, Michigan

We have audited the accompanying financial statements of the governmental activities and the major fund of the **CALHOUN COUNTY PARK TRUSTEES FUND OF THE COUNTY OF CALHOUN, MICHIGAN, (the "Commission")** as of and for the year ended December 31, 2007, which collectively comprise the Park Commission's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Calhoun County Park Trustees' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements present only the Calhoun County Parks General Operating Fund of the County of Calhoun, Michigan, and do not purport to, and do not present fairly the financial position of the County of Calhoun, Michigan as of December 31, 2007, and the changes in its financial position, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the **Calhoun County Park Trustees** as of December 31, 2007, and the respective changes in financial position thereof and the budgetary comparison for the parks general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 15, 2008 on our consideration of the Calhoun County Park Trustees' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

## **FINANCIAL STATEMENTS**

**CALHOUN COUNTY PARK TRUSTEES**  
**STATEMENT OF NET ASSETS AND GENERAL FUND BALANCE SHEET**

**DECEMBER 31, 2007**

<b>Assets</b>	<b>General Operating Fund</b>	<b>Adjustments</b>	<b>Statement of Net Assets</b>
Cash and cash equivalents	\$ 31,840	\$ -	\$ 31,840
Prepaid expenditure/expense	11,910	-	11,910
<b>Total assets</b>	<u>43,750</u>	<u>-</u>	<u>43,750</u>
<b>Liabilities</b>			
Accounts payable	\$ 438	20,920	21,358
Due to Road Commission component unit	20,920	(20,920)	-
<b>Total liabilities</b>	<u>21,358</u>	<u>-</u>	<u>21,358</u>
<b>Fund Balance/Net Assets</b>			
Unreserved	<u>22,392</u>	<u>(22,392)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 43,750</u>		
<b>Net assets</b>			
Unrestricted		<u>\$ 22,392</u>	<u>\$ 22,392</u>

The accompanying notes are an integral part of these financial statements.

**CALHOUN COUNTY PARKS TRUSTEES**  
**STATEMENT OF ACTIVITIES AND GENERAL FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>General Operating Fund</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Expenditures/Expenses</b>			
Parks and recreation	\$ 8,840	\$ -	\$ 8,840
<b>Program Revenues</b>			
Charges for services	31,136	-	31,136
<b>Net program revenue</b>			22,296
<b>General Revenues</b>			
Interest earned	96	-	96
Contribution from component unit			
Community Development Fund	113,765		113,765
<b>Total general revenue</b>	113,861	-	113,861
<b>Net change in fund balances</b>	136,157	(136,157)	-
<b>Changes in net assets</b>		136,157	136,157
Fund Balance (Deficit)/Net Assets,			
Beginning of year	(113,765)	-	(113,765)
<b>Fund Balance/Net Assets,</b>			
<b>End of year</b>	\$ 22,392	\$ -	\$ 22,392

The accompanying notes are an integral part of these financial statements.

**CALHOUN COUNTY PARK TRUSTEES**  
**STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Actual Over (Under) Final Budget</b>
<b>Revenue</b>				
Charges for services - other	\$ 5,333	\$ 5,333	\$ 31,136	\$ 25,803
Contribution from component unit of County	38,990	38,990	113,765	74,775
Interest	-	-	96	96
Other	30,719	30,719	-	(30,719)
<b>Total revenue</b>	<u>75,042</u>	<u>75,042</u>	<u>144,997</u>	<u>69,955</u>
<b>Parks and recreation expenditures</b>				
Parks and recreation	71,709	71,709	8,840	(62,869)
Other	2,500	2,500	-	(2,500)
<b>Total expenditures</b>	<u>74,209</u>	<u>74,209</u>	<u>8,840</u>	<u>(65,369)</u>
<b>Net change in fund balance</b>	833	833	136,157	135,324
Fund balance (deficit), beginning of year as restated	<u>(113,765)</u>	<u>(113,765)</u>	<u>(113,765)</u>	<u>-</u>
<b>Fund balance (deficit), end of year</b>	<u><u>\$ (112,932)</u></u>	<u><u>\$ (112,932)</u></u>	<u><u>\$ 22,392</u></u>	<u><u>\$ 135,324</u></u>

The accompanying notes are an integral part of these financial statements.



# CALHOUN COUNTY PARK TRUSTEES

## NOTES TO FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Calhoun County Park Trustees (the “Park Commission”) conform to generally accepted accounting principles as applied to governmental units. The following is a summary of the significant policies.

#### **Reporting Entity**

The Calhoun County Park Trustees, referred to as the Park Commission, is a Special Revenue Fund of the County of Calhoun, Michigan (“County”), and is used to control the expenditure of revenues from County park operations, primarily the operation of a public golf course. This fund is presented as the entity’s general operating fund.

#### **Basis of Presentation**

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. *Governmental activities* are supported by charges for services and interest income.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than as program revenues.

##### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements (statement of net assets and the statement of activities) are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund (general fund) financial statements (general fund balance sheet and general fund revenues, expenditures and changes in fund balance) are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences not expected to be paid in the current year and claims and judgments, are recorded only when payment is due.

# CALHOUN COUNTY PARK TRUSTEES

## NOTES TO FINANCIAL STATEMENTS

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Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Park Commission reports the following major governmental fund:

The *special revenue parks fund* is this reporting unit's primary operating fund. It accounts for specific revenue sources that are legally restricted to expenditures for the County Park System. It is presented as the general operating fund for the Parks Commission.

### **Budgetary Data**

The governmental fund is under formal budgetary control. The budget shown in the financial statements is adopted on a basis consistent with generally accepted accounting principles (GAAP), and is not significantly different from the modified accrual basis used to reflect actual results, and consists only of those amounts contained in the formal budget as originally adopted or as amended by the Board of County Park Commissioners. The budget for the Parks General Operating Fund is adopted on a functional basis.

## CASH DEPOSITS AND INVESTMENTS

### **Deposits**

At December 31, 2007, the amount of the Park Commission's deposits were as follows:

	<b><u>Carrying Amount</u></b>	<b><u>Bank Balance</u></b>
Checking accounts	<b><u>\$ 31,840</u></b>	<b><u>\$ 31,840</u></b>

State statutes authorize the Park Commission to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Park Commission's deposits may not be returned. State law does not require and the Park Commission does not have a policy for deposit custodial credit risk. As of December 31, 2007, the entire amount of the bank balance of \$31,840 was insured by the FDIC.

# **CALHOUN COUNTY PARK TRUSTEES**

## **NOTES TO FINANCIAL STATEMENTS**

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### **3. INTERFUND RECEIVABLES AND PAYABLES**

At December 31, 2007, there was a \$20,920 amount due to a fund of the Calhoun County Road Commission component unit. Accordingly, this amount was reclassified as an account payable in the Statement of Net Assets.

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**REHMANN ROBSON**

*Certified Public Accountants*

*A member of* **THE REHMANN GROUP**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

May 15, 2008

Calhoun County Park Trustees  
Marshall, Michigan

We have audited the financial statements of the governmental activities and the major fund of the **CALHOUN COUNTY PARK TRUSTEES FUND OF THE COUNTY OF CALHOUN, MICHIGAN, (the "Commission")**, as of and for the year ended December 31, 2007, and have issued our report thereon dated May 15, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Calhoun County Park Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Park Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Park Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Park Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Park Commission's financial statements that is more than inconsequential will not be prevented or detected by the Park Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Park Commission's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we noted other matters involving the internal control over compliance, financial reporting and/or operating efficiency that we have reported to management of Calhoun County Park Commission in a separate letter dated May 15, 2008.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Calhoun County Park Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Park Commissioners, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson", is positioned on the right side of the page.